



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

November 12, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AN ORDINANCE TO AMEND THE GAS PIPELINE FRANCHISE
GRANTED TO SOUTHERN CALIFORNIA GAS COMPANY
BY ORDINANCE NO. 6765, AS AMENDED
(ALL AFFECTED) (3 VOTES)**

SUBJECT

The recommendations will extend the term of the gas pipeline franchise granted to Southern California Gas Company through December 31, 2009.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve an ordinance to amend the gas pipeline franchise granted to Southern California Gas Company, a California corporation (SoCalGas), by Ordinance No. 6765, as amended, to extend the term of the franchise through December 31, 2009.
2. Introduce, waive reading, and place on your Board's agenda for adoption the accompanying ordinance that implements the above recommendation, becoming effective January 1, 2009.
3. Find that this project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to extend the term of the SoCalGas franchise to provide additional time to complete an audit of the annual fees for calendar years 2001 through 2005, to implement revisions to the County's franchise codes, and to negotiate the terms and conditions of a new long-term franchise with SoCalGas.

Implementation of Strategic Plan Goals

The County Strategic Plan directs that we provide the public with quality service that is beneficial and responsive (Goal 1). The Board's adoption of an ordinance to extend the term of the SoCalGas franchise is consistent with this goal.

FISCAL IMPACT/FINANCING

SoCalGas has paid the County a one-time granting fee of \$5,000 to process an ordinance to extend the term of the franchise. SoCalGas will continue to pay an annual fee of two percent of the gross annual receipts arising from the use, operation or possession of the franchise. SoCalGas paid the County total fees of \$3,004,791 for the 2007 calendar year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 20, 1955, your Board adopted Ordinance No. 6765, granting a 50-year County-wide gas pipeline franchise to SoCalGas, which expired October 19, 2005. By Ordinance No. 2007-0101F, your Board extended the term of the SoCalGas franchise through December 31, 2008. Upon your Board's adoption of the accompanying ordinance, the term of the SoCalGas franchise will be extended through December 31, 2009.

The Department of Public Works and the Fire Department have reviewed the request and have no objections. County Counsel has reviewed the accompanying ordinance to extend the franchise and approved it as to form.

ENVIRONMENTAL DOCUMENTATION

This project is categorically exempt under the CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended Board actions will not impact or adversely affect any current services or future projects.

CONCLUSION

Instruct the Executive Officer, Board of Supervisors, to send conformed copies of the approved Board recommendation and the adopted ordinance to Southern California Gas Company, 8330 Century Park Court, CP 31D, San Diego, California 92123, Attention: Mr. Stuart Wells, Franchise and Fees Manager, and the offices of County Counsel, Department of Public Works, Fire Department, and Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
WLD:RB:lis

c: County Counsel
Department of Public Works
Fire Department